

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 190 - HB 184

February 19, 2013

**SUMMARY OF BILL:** Broadens the scope of the Tennessee Medicaid False Claims Act (the Act) violations relative to records or statements material to a false or fraudulent claim to knowingly making a false record or statement material to a false or fraudulent claim. Broadens the class of persons entitled to relief under the Act for discriminatory employment actions to employees, contractors or agents who have been discriminated against because of actions taken by the employee, contractor, agent or associated others in furtherance of actions filed pursuant to the Act or to stop any violations of the Act.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Not Significant**

**Other Fiscal Impact – Prevents the loss of approximately \$3,700,000 in federal funds. According to the Bureau of TennCare, the state retains an additional ten percent over the federal match rate of Medicaid healthcare fraud collections if the state's collection efforts meet federal requirements. The changes made to the Act by the proposed legislation are in response to new federal false claims recovery program requirements and will enable the state to continue to retain the enhanced amount.**

Assumptions:

- 42 U.S.C. §1396h authorizes decreasing the Federal medical assistance percentage by ten points with respect to any amounts recovered under a state Medicaid fraud action if the state has in effect a law relating to false or fraudulent claims that meets federal requirements. 31 U.S.C. §§ 3729 and 3730 have been amended to broaden liability and increase whistleblower protections under the Federal False Claims Act.
- According to the Bureau of TennCare, the average amount retained by the state over the last four years has been \$3,710,709.85 per year.
- According to the Office of the Attorney General and Reporter, the fiscal impact of any increase in violations will be not significant and can be accommodated within the existing resources of the Office without an increased appropriation or reduced reversion.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/ehu